

By Congressman David Price -

Thank you so much for inviting me to be here today, and thank you, Gene, for the kind introduction. It is an honor to stand before a room full of such distinguished state, federal and industry professionals, and I welcome you all to North Carolina!

I'm reminded that the last time I was at an event that Gene helped organize, a beautiful woman covered me and the Mayor of Durham in champagne! Gene seemed highly amused by that, so rather than say anything more, I'll invite you to ask him about it!

Gene was gracious to ask me to join you to talk about the future of the passenger and high-speed rail program. That's subject to many contingencies and considerable uncertainty, but I am happy to offer my perspective and provide an update on what the trend lines seem to be on Capitol Hill.

I know I'm preaching to the choir when I say that passenger and high speed rail must play a more prominent role in our nation's overall transportation system, moving us forward the way the highway system did in the mid-20th century.

High speed rail offers the potential to provide a safe, efficient and environmentally-friendly transportation alternative for Americans traveling between major cities.

And the need is great: our highways are congested and sure to become more so, and the capacity of our aviation system has only shrunk as airlines have reduced frequencies and completely cut service to points around the country.

In addition, high speed rail investments have a synergistic impact: they upgrade our rail infrastructure, improve mobility of goods and people, and create jobs. \$1 billion spent on high speed rail creates 34,000 jobs! That ranks pretty high among possible returns on public investment.

In the short-term, rail projects need workers for track-laying, construction and manufacturing – some of the fields hardest hit by the recession – as well as planning and engineering. Next comes a jobs boost from the purchase of locomotives and other heavy equipment. And over the long haul, rail sustains well-paying operations and maintenance jobs.

This is a great potential growth industry for the United States. A recent Duke University study found that the U.S. already has an extensive supply chain for rail manufacturing, including at least 249 U.S. manufacturing locations in 35 states; 15 railcar builders, 5 locomotive builders, and 159 component suppliers. We can take this capacity – and our manufacturing base – to the next level.

More than 30 rail manufacturers, both domestic and foreign, have already agreed to establish or expand their base of operations in the United States if they are hired to build America's next generation high-speed rail lines – a commitment the Administration secured to help ensure new jobs are created here at home.

Rail investments are also a catalyst for attracting state, local and private capital, which in turn creates jobs. The Economic Development Research Group for the U.S. Conference of Mayors studied the economic impact of high-speed rail on four urban regions and found that high-speed rail service can: drive higher-density mixed-use development at train stations; increase business productivity through travel efficiency gains; expand visitor markets and generate additional spending; broaden regional labor markets; and support the growth of technology clusters. A passenger rail network to Minneapolis and St. Louis via Chicago is projected to create \$6.1 billion-per-year in new business revenues and up to a \$3.6-billion-per-year increase to the local economies served by the line.

So high speed rail isn't just about trains today; these investments lay the track for future economic growth. That is why they are so valuable and so needed right now.

As you know all too well, we have lacked a clear federal policy and dedicated funding source for high speed rail. Since the Southeast High Speed Rail Corridor was designated 20 years ago, states have had to fight for a share of an annual \$25 million funding pot. The result is that the U.S. lags behind other countries in developing its high-speed rail infrastructure. The U.S. spends only 2.4 percent of GDP on infrastructure; China spends 9 percent. We have a major

competitiveness gap in this area, and it's one that we must address.

We made some good headway with the Recovery Act, which provided the first ever major infusion of support for rail outside the northeast corridor. That \$8 billion investment is helping to develop or lay the groundwork for 13 new, large-scale high-speed rail corridors across the country in numerous states.

It has not been an entirely smooth process. DOT had to stand up a brand new program with minimal administrative funds or staff to administer the grants, and it took a while to get things up and running. But I must say, they have made very good progress to-date on the Recovery Act funds. And we expect that most if not all of the Recovery Funds will be obligated well before the funds expire in FY 2012.

These funds are already being put to use – including here in North Carolina.

As I mentioned, it has been twenty years since Congress first designated the Southeast High Speed Rail corridor. And it's been more than a decade since Governor Jim Hunt challenged our state to achieve two-hour rail service from Raleigh to Charlotte.

The state has come a long way toward that goal, but for the most part, we've been on our own. The burden fell almost completely to us, and in light of the enormous capital investments needed, our progress has been slow, but it has been steady.

Thanks in large measure to the dedication and resourcefulness of NCDOT's own Pat Simmons, North Carolina has been able to make consistent incremental improvements on the corridor. This track record, if you will, made our state highly competitive when seeking Recovery Act funds, and we heralded the news that North Carolina would receive a portion (more than half a billion dollars!) of the high-speed rail funding from the Recovery Act.

These dollars are already on the ground helping to decrease travel time and frequency of service between Charlotte and Raleigh. But we also have ambitious plans to extend the corridor to Richmond, VA and Washington, DC, ultimately linking the Southeast to the Northeast.

I know that there is the interest and capacity to do much more, and that there are other worthy rail projects nationwide ripe for investment. DOT received over 259 applications totaling \$56.5 billion for the \$8 billion in Recovery Act funds and 132 applications totaling \$8.8 billion for the \$2.5 billion in funds allocated in FY 2010.

I also know that the public support for high-speed rail is strong and growing. I hear it from state and local government leaders, from labor unions and workers, and from the business community.

Our President gets it. From Day One to his speech on jobs late last week, he has made a commitment to a modern transportation infrastructure and renewed the call for a significant investment. He has set the goal of giving 80 percent of Americans access to high-speed rail within 25 years. And he requested \$4.5 billion in this year's budget for high speed rail.

In fact, the President doubled-down on his commitment to a robust rail program just last week: of the \$50 billion for transportation infrastructure in the President's jobs proposal, \$2 billion are designated for making improvements to intercity passenger rail service, and \$4 billion would go towards development of high speed rail corridors.

Members of Congress get it, too; or at least some do. This March, I joined a group of my colleagues to launch the new Congressional Bipartisan Bicameral High-Speed and Intercity Passenger Rail Caucus. In keeping with Washington tradition, the name is long (!), but it represents the fact that there are Members from both parties – and on both sides of the Hill – who understand the importance of high-speed rail. Our mission is to build the foundation for our future growth and a smart transportation system that meets the needs of the 21st century, including high speed rail.

We have our detractors, too, although it is sometimes hard to know if their target is high speed rail in particular or public investment generally. Either way, since the Republicans have taken over the majority in the House, high speed rail investment has been a prime target for elimination.

Following the 2010 elections, Republican governors in three states -- Florida, Ohio and Wisconsin -- voluntarily forfeited some or all federal high-speed rail funds they had previously been awarded.

Then, in April 2011, Congress cut off any future funding for high-speed rail, rescinded \$400 million of FY 2010 unobligated high speed rail funds, and reduced Amtrak capital funding by \$130 million in the FY 2011 appropriations bill.

During consideration of the FY 2012 Energy and Water appropriations bill, Republicans rescinded remaining unobligated funds from the Recovery Act that have already been promised to states for their work on developing and improving high speed and intercity passenger rail. This was a political stunt by the majority to rob Peter to pay Paul by putting these funds toward disaster relief. In fact, members of the majority know full well that emergency disaster relief efforts have always been funded through supplemental legislation on a bipartisan basis, at least until now.

And then just last week, the House Appropriations Subcommittee on Transportation, Housing and Urban Development, on which I serve, considered the Chairman's bill for the upcoming fiscal year (FY 2012). This bill represents the biggest set-back to high-speed rail that we have faced yet. The bill would simply eliminate the high-speed rail program. Not a single dime would go towards staffing this program if a majority of the House Republicans had their way.

In the meantime, funding for Amtrak would again be slashed, this time by \$350 million to just \$1.13 billion for operations and capital combined.

I offered an amendment during subcommittee consideration that would have restored \$1 billion to the rail program. This amendment was defeated on a party-line vote. And then, the Subcommittee Members also failed to clear a placeholder amendment, introduced by Rep. LaTourette, a Republican member, which would have put a mere \$1 million into the account, just to keep the program alive.

The main argument seems to be that deficits and recession mean we shouldn't spend money on new things. But that is exactly the kind of thinking that is causing the recovery to be stopped in its tracks! As every small business owner who has been hurt by lack of credit over the last

few years will tell you, you have to spend money to make money. The key is to figure out which investments will yield the greatest return. I believe high speed rail is one of them.

A vision of a 21st century transportation system with high speed rail is not "pie-in-the-sky." We can make it a reality. But it is clear that we will need to be vigilant and work together to make the case for a fundamental shift in our transportation policy at the federal level.

And at the end of the day -- despite all the discussion in Washington about the "high speed rail" program -- in the long term, the success or failure of the program rests with the folks in this room. You are the people who are tasked with finding solutions and building the network.

We aren't yet where we want to be. But we have come a long way in just the last two years. And I think we can make it the rest of the way.

I remain committed to partnering with you to get there. And I hope you will continue to be vigilant in taking your case to Washington -- and to business, community, and state leaders who need to catch the vision. The economic arguments for further high speed rail investments are exceptionally strong, and we have simply got to keep making them.

Again, thank you for having me today. Before I leave the stage, I hope we can have just a minute or two for questions or any messages you want me to take back to Capitol Hill.

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